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Reports on mid-term reviews: an overview

Report of the Administrator

I. PURPOSE

1. The present report, the third in a series responding to Governing Council decision 92/28 of 26 May 1992, provides an overview of the mid-term reviews undertaken in 1994 of 16 country programmes. It covers the main substantive and management issues emanating from the reviews, with particular reference to national execution, national capacity-building, support cost arrangements and the programme approach.

2. Annex I contains a summary of financial commitments of indicative planning figures (IPFs) while annex II presents the schedule of mid-term reviews for 1995.

3. Addenda 1-5 to the present document contain reports of the mid-term reviews of the country programmes for: Bangladesh (DP/1995/17/Add.1; Chad (DP/1995/17/Add.2); Guatemala (DP/1995/17/Add.3); Malawi (DP/1995/17/Add.4); and Tunisia (DP/1995/17/Add.5).

II. 1994 MID-TERM REVIEW PROCESS

4. The 1994 mid-term review process began with the distribution of updated guidelines on the process in January 1994. In the course of the year, UNDP headquarters provided additional support through the Special Programme Resources (SPR) facility to mid-term reviews of 15 country programmes and two intercountry programmes. The additional resources were used to support the preparation of

sectoral and thematic review papers by national and international consultants for consideration during the review process.

5. In his report DP/1994/6, the Administrator had anticipated that about 60 mandatory (i.e., for programmes larger than $10 million) and non-mandatory country and intercountry programme reviews would be undertaken in the year 1994. However, this could not be accomplished for a variety of reasons, including:

(a) Slow start and pace in the development of new programmes and projects relating to the introduction of the programme approach methodology;

(b) Pre-occupations at the country level with other United Nations-sponsored processes such as round-table meetings, Consultative Group meetings and country strategy note preparation;

(c) Conditions in programme countries that were not conducive to undertaking mid-term reviews, such as national elections and civil strife;

(d) Changes in management of UNDP country office associated with the periodic reassignment of staff.

6. The 16 reviews undertaken in 1994 represent a total value of $345.2 million or about 10 per cent of currently available fifth cycle indicative planning figure entitlements (i.e., fourth cycle carry-overs plus fifth cycle IPF resources stated at 70 per cent).

7. The Administrator has noted the issues raised above and will take the necessary measures to strengthen the management of the remaining mid-term reviews.

III. GENERAL OBSERVATIONS

8. The mid-term reviews undertaken in 1994 confirm the observations noted previously (DP/1994/6) that both programme countries and UNDP management regard the mid-term review process as a useful opportunity to assess a programme's continued relevance and likelihood of achieving desired results, resolving operational constraints, if any, and setting the ground work for the next programming exercise.

9. The importance attached to the process is demonstrated by the level and mix of participation at the mid-term review meetings. In general, while the meetings were hosted by the government coordinating ministries, there was high-level participation of technical ministries and resident bilateral and multilateral donor missions at the meetings. UNDP headquarters supported the process through the SPR facility and by providing guidance to the country offices on the joint issues papers and meetings through the bureaux project appraisal committees (PACs) and the programme review committee (PRC). Senior staff from UNDP headquarters were able to participate in half of the review meetings undertaken in 1994.

10. In a number of cases, the mid-term review was conducted as part of a larger exercise. In the Central African Republic, at the request of the Government, it became part of a general review of United Nations operational activities in the country while in Tunisia, the review was carried out in conjunction with that of the United Nations Population Fund (UNFPA) programme. The Botswana mid-term review was undertaken at the same time as the review by the Government of the seventh national development plan. By contrast, in Viet Nam the review was in fact postponed in light of a Consultative Group exercise. The broad participation at the reviews and the emerging practice of joint reviews, while still limited and ad hoc, do provide excellent opportunities to foster greater coordination and focus in external cooperation programmes and activities.

11. The reviews showed that country programmes, by and large, remain relevant to national priorities, and that none needed changes significant enough to warrant re-submission to the Executive Board. This appears to uphold the fact that, in general, country programmes are thoughtfully prepared and do address the key medium- to long-term national development priorities. Even though Chad faced major socio-economic challenges since approval of its fifth country programme in 1992, the mid-term review re-affirmed that the country programme remained largely relevant and needed only shifts in emphasis, at most. With the advent of democracy in the country, the country programme now emphasizes governance as an overriding consideration within the three original areas of concentration i.e., human development, development of rural and secondary sectors and support for development management.

12. Notwithstanding the above observation, there is also evidence that country programmes can be adaptable to changing circumstances. In the last three years, the Central African Republic has experienced civil strife, the election of a new government, a 50 per cent devaluation of the FCFA in January 1994 and, along with other countries, the decline in the indicative planning figure (IPF) and United Nations Capital Development Fund (UNCDF) allocations. As a consequence of these developments, and in light of the mid-term and general review of United Nations operational activities in August 1994, the fifth country programme was adjusted to focus UNDP cooperation on two (instead of the original three) areas of concentration, namely social development and strengthening national capacities in economic management.

13. The reviews undertaken also show that most programmes remain largely project-oriented, even though much progress has been made in developing better-focused programmes with fewer concentration areas and projects since the fourth cycle. The reviews continue to be used as occasions to reduce further the spread of activities by dropping projects, consolidating small projects and re-grouping projects around themes and sectors in order to enhance programme impact. In the experience of Bangladesh, which had as many as 100 projects at review, the meeting adopted guiding criteria for concentrating UNDP projects, screening new proposals and terminating the several approved but dormant projects in this programme.

14. It is clear from the reviews that there has been much effort in the last few years towards improving aid coordination at the country level, especially through such processes as the mid-term reviews, round-table meetings and others. However, there is not much evidence to suggest that the efforts have gone beyond

the sharing of information into, for instance, joint programming initiatives among the various entities. While attempts were made in the Central African Republic (and in India in 1993) and other countries for joint programme reviews, the different agencies still maintained separate programmes. The main constraints to effective aid coordination remain the separate, often disparate, programming, procedural and reporting requirements among the agencies, funds and programmes. Attempts are being made through the Joint Consultative Group on Policy (JCGP) and the Consultative Committee on Programme and Operational Questions (CCPOQ) to harmonize the various procedures in order to enhance the coordination and effectiveness of external cooperation.

15. Also, while the mid-term review is accepted as an essential management tool, concern was expressed about the workload it generated and the absence of specific linkages to other United Nations-sponsored processes such as the country strategy note (CSN), Consultative Groups, the round-table mechanism, national technical cooperation assessment and programmes (NATCAPs) and others. Rationalization of these processes would significantly reduce the inherent duplication and workload; this matter is under active consideration within UNDP and between the agencies through CCPOQ and JCGP in the context of General Assembly resolution 47/199.

16. In general, however, indications from the thematic and sectoral reviews and other reports prepared during the mid-term review process suggest that country programmes have made good progress in the general direction of their objectives.

IV. PROGRAMME ISSUES

A. National execution

17. In principle, the modality of national execution remains widely accepted as essential for the development of national capacities to own, manage and sustain the development process. It is also cited for the possibilities it creates for long-term collaborative relationships between domestic institutions and external technical institutions through cooperating and implementation arrangements. However, progress in the adoption of national execution in the programmes reviewed has been modest and uneven. National execution makes certain institutional and procedural demands on programme countries to ensure substantive, technical and financial accountability. For these reasons, countries have been selective in their adoption of the modality. Bangladesh, despite comparatively high national capacity levels, had 21 per cent of its IPF resources under national execution at review (representing 27 per cent of the projects) and is not likely to meet the original country programme target of 60 per cent by the end of the fifth country programme. Botswana, which introduced national execution in 1989, still has relatively low national execution levels (22 per cent of IPF resources) owing to severe national capacity constraints. By contrast, in Malawi, national execution had risen dramatically to 80 per cent by the time of the review, with expectations to reach 100 per cent by the end of the cycle.

18. In practice, national execution has been treated as synonymous with government execution and managed in a highly centralized manner, usually through

a specially created and funded national execution support unit or project, within and sometimes outside of government structures. The support units seem widespread - they are responsible for developing local guidelines for national execution, training line ministries on national execution procedures, preparing the required national execution reports, facilitating contractual arrangements with cooperating and implementation agencies and generally providing support to the technical ministries hosting nationally executed programmes.

19. There is some concern over the complexity of current national execution procedures and requirements that has given rise to the national execution support units or projects and the negative long-term impact of these units on national capacity-building and the integration of technical cooperation into national programmes and institutions.

20. Most nationally executed programmes have systematically availed themselves of the services of the specialized agencies and the Office for Project Services (OPS) for the procurement of external goods and services, including consultancies and fellowships. The programmes have, to varying degrees, also accessed TSS-2 facilities to enhance substantive accountability and ensure technical backstopping by specialized agencies during implementation although there is a widespread perception that the provisions under this facility are inadequate for sustained agency backstopping.

B. Capacity-building

21. The programmes reviewed clearly demonstrate that national capacity-building remains a central objective of UNDP-supported programmes but that most of the support has been aimed at central government institutions and has tended to focus on raising individual skill levels (through further training and education), rather than institutional skill levels. National capacity-building is a long-term process and generally difficult to ascertain after a two-year period. In the experience of Malawi, for each of the four programme areas under the fifth country programme, a joint government/UNDP programme team was established to prepare the programme frameworks. The joint teams not only enhanced government ownership of the fifth country programme but they have also provided a unique opportunity for on-the-job training and capacity-building in the area of policy and programme formulation.

22. Notwithstanding the support to capacity-building at the central government levels, some country programmes have recognized that capacity-building activities also need to move closer to the intended beneficiaries of technical cooperation activities, as part of attempts to empower them. These efforts are undertaken with the active participation of local government and community-based groups. Particular effort is noticed in Malawi in the local impact areas and Bangladesh under the poverty reduction programmes. There is limited capacity-building support to non-governmental organizations (NGOs) and private groups through their involvement in implementation of certain programme components.

23. In general, it was noted that the main factors constraining the development of sustainable national capacities include (a) the absence of an enabling public sector environment; (b) the lack of a critical mass of suitably trained and

motivated counterparts; (c) high turnover; and (d) the non-fulfilment of national budgetary and in-kind commitments. It was also noted that capacity development requires reform of the relevant national laws and institutions and political commitment on the part of national governments to make the required long-term investments.

24. Recent UNDP work on capacity development should be particularly useful in helping country offices and governments in systematically assessing national capacity requirements and developing appropriate strategies to address them.

C. Support cost arrangements

25. Experience with the new support cost arrangements in the country programmes under review is still limited, as is the case in general (see the report of the team of external independent evaluators on the arrangements for agency support costs (DP/1994/23/Add.1)). Among those features welcomed in the mid-term reviews currently before the Executive Board is increased transparency of the system and the distinction made between technical support services (TSS-1 and TSS-2) on the one hand and operative and administrative services (AOS) on the other. Considerable efforts have therefore been made to budget new programmes on the basis of the new arrangements.

D. Programme approach

26. Progress in the application of the programme approach has been slow for two basic reasons. First, most fifth cycle country programmes have a relatively high number of stand-alone projects that were inherited from the fourth cycle. With respect to these programmes, much effort has gone towards reducing the number of concentration areas, and within these, reducing the spread through thematic and sectoral clustering of projects, and in some cases closing isolated project activities.

27. Second, while the tendency has been to apply the programme approach to new programming opportunities, progress in this effort has been hampered by uncertainties regarding the operational requirements of the programme approach. Preparation of national programmes, the programme support document (PSD) and programme support implementation arrangements (PSIA) requires extensive information gathering and management efforts on both government and UNDP sides, as national priorities are never detailed to the level of implementation arrangements. Much attention is also needed to be paid to interministerial linkages since programmes are by nature multisectoral, requiring the involvement of a large number of national entities. The Bangladesh experience noted the absence of a common understanding of the programme approach among the Government, United Nations agencies and other donors, making difficult the expected extensive collaboration through the PSD/PSIAs. These issues, while a temporary part of the learning process, have largely been responsible for the slow pace in programme development during the fifth cycle.

28. To facilitate the understanding and adoption of the programme approach in country programming, UNDP has prepared PSD/PSIA guidelines (1993), a training

module, including a training video (1994) and contributed to the work on guidelines on monitoring and evaluation guidelines on the programme approach through CCPOQ (1994). UNDP is also collaborating with the ILO Turin Centre in the preparation of a programme approach training module for the United Nations agencies in Geneva.

V. RESOURCE SITUATION

29. At mid-term, most country programmes have committed a high proportion of their programmable IPF resources because of a number of factors: the high number of commitments carried over from the fourth cycle; the 30 per cent cutback in IPF entitlements; and the programme reserve hold-backs, which average 5 per cent of programmable resources. The net effect has been to limit the capacity of the programmes to respond to new opportunities, including addressing areas of special interest to the Executive Board.

VI. EXECUTIVE BOARD ACTION

30. The Executive Board may wish to take note of the present report.

Annex I

SUMMARY FINANCIAL DATA ON COMMITMENTS AGAINST EXPENDITURES OF IPFS AT MID-TERM REVIEW

(thousands of dollars)

Country	Available IPF a/ (1)	Commitment at mid-term (2)	(2) as percent of (1)
Bangladesh	100 423	87 077	87%
Botswana	4 447	1 070	24%
Chad	24 904	22 633	91%
Cook Islands	595	550	92%
Comoros	8 034	8 404	105%
Guatemala	6 813	4 715	69%
Malawi	40 610	32 868	81%
Morocco	17 252	15 729	91%
Samoa	4 918	3 038	62%
Seychelles	629	636	101%
Solomon Islands	5 462	2 571	47%
Syria	11 184	8 583	77%
Tunisia	5 669	4 874	86%
United Arab Emirates	n.a.		
Yemen	27 827	17 341	62%
Viet Nam	63 367	43 874	69%

a/ Carry-over from fourth cycle plus fifth cycle IPF adjusted to 70 per cent of entitlement.

Annex II

SCHEDULE OF MID-TERM REVIEWS FOR 1995

January-June 1995

Europe

Hungary, Malta, Poland, ICP-Europe.

Africa

Burkina Faso, Burundi, Cameroon, Congo, Côte d'Ivoire, Equatorial Guinea, Gabon, Guinea, Madagascar, Mali, Niger, Swaziland, Uganda, ICP-Africa.

Asia and the Pacific

Bhutan, Lao People's Democratic Republic, Malaysia, Nepal, Pacific Multi-Islands, Pakistan, Papua New Guinea, Philippines, Republic of Korea, Viet Nam, ICP-Asia/Pacific.

Arab States

Algeria, Bahrain, Egypt, Kuwait, Lebanon, Morocco, Qatar, Saudi Arabia, Sudan, Syria, United Arab Emirates, Yemen, Jordan.

Latin America and the Caribbean

Anguilla, Antigua/Barbuda, Argentina, Belize, Caribbean Multi-Island, Chile, Costa Rica, Cuba, Dominican Republic, Dominica, Ecuador, Grenada, Guatemala, Honduras, Panama, Paraguay, Peru, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Uruguay, Venezuela, ICP-Latin America/Caribbean.

Global and Interregional Programmes

Global, Interregional.

July-December 1995

Europe

Bulgaria, Romania.

Africa

Benin, Ethiopia, Gambia, Ghana, Guinea-Bissau, Lesotho, Mauritius, Mozambique, Namibia, Nigeria, Sierra Leone, Tanzania, Mauritania, Rwanda, Sao Tome and Principe, Senegal, Zimbabwe.

Asia and the Pacific

Maldives, Marshall Islands, Micronesia, Papua New Guinea, Republic of Korea, Tokelau, Vanuatu, Mongolia, Thailand, Palau, Cambodia, Sri Lanka, Tuvalu.

Arab States

Djibouti, Libya.

Latin America and the Caribbean

El Salvador, Montserrat, Nicaragua, Saint Helena, Barbados, Bermuda, Cayman Islands, Jamaica, Netherlands-Antilles, Turks and Caicos.